

Energy Fuels Resources (USA) Inc. 225 Union Blvd. Suite 600 Lakewood, CO, US, 80228 303 974 2140 www.energyfuels.com

July 9, 2015

Mike Bradley
State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

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Re: Notification of Ventilation Hole Collapse at the La Sal Mines Complex

Mr. Bradley:

On May 4, 2015, Energy Fuels Resources (USA) Inc. ("EFRI") field personnel noted during a routine inspection of the La Sal Mines Complex (the "Mine") that ventilation hole, Pandora 12, (the "Vent") had collapsed. The Mine is currently in temporary cessation and there is no underground activity. The Vent is in a dry area of the Mine and was not cased or equipped with a fan. A map showing the location of the Vent is included as Attachment 1.

In response to the collapse, EFRI field personnel immediately fenced the area off and posted signs warning of the potential hazard. EFRI field personnel backfilled the Vent from the surface with earthen fill material consistent with the vent hole reclamation specifications for the Mine. On June 15, 2015, EFRI completed backfilling and secured the area. Approximately 700 yds<sup>3</sup> of fill were used to backfill the Vent. A photo log of the backfilling activities is included as Attachment 2.

EFRI is not reclaiming the area around the Vent, because, when needed, a new vent will be drilled within the existing disturbance footprint of the current Vent. The area immediately surrounding the Vent is secure and will remain fenced in case the fill material settles and additional backfilling is necessary.

The area is available for inspection and will be included during the annual Utah Division of Oil, Gas and Mining inspections scheduled on July 27 through July 30, 2015. Please feel free to contact me at 303-389-4167 or Andrea Reither at 303-389-4133 if you have any questions, want to schedule an inspection, or require more information.

Yours very truly,

ENERGY FUELS RESOURCES (USA) INC.

Jaime Massey

Regulatory Compliance Specialist

CC: A. Reither, S. Bakken, H. Roberts, R. Fisher (EFRI)

J. Morris (UDAQ)

D. Pals, R. Doolittle (BLM)

T. Lloyd (USFS)

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